

# Transportation Funding in Utah

WHERE IT COMES FROM  
AND WHERE IT GOES



## Overview

- Where Transportation Funding Comes From
  - State user fees
  - State Sales and Use Tax Earmarks
  - General Fund Appropriations
  - Local Option Sales and Use Taxes and Fees
  - Aviation Fuel Tax
  - Federal Funding
- Where Transportation Funding Goes
  - Transportation Fund
  - Centennial Highway Fund
  - Transportation Investment Fund of 2005
  - Critical Highway Needs Fund
  - Other Funds

## WHERE IT COMES FROM

### User Fees

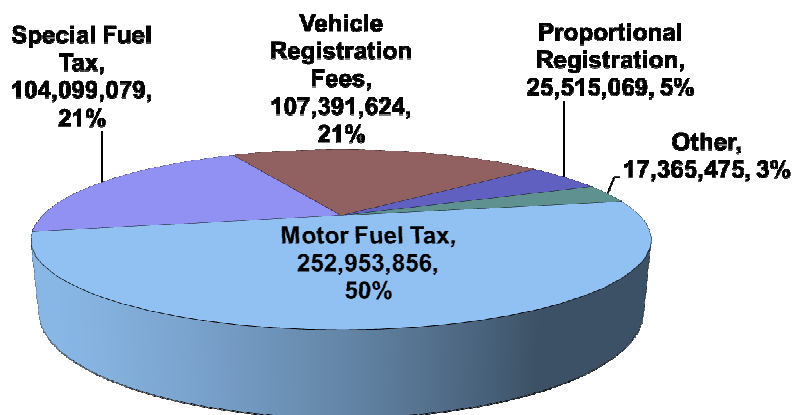
- Since 1961, the Utah Constitution has provided that the proceeds of any tax, fee, and other charges related to the operation of motor vehicles on public highways must be used for **highway purposes**, excluding:
  - Statutory refunds and adjustments
  - Costs of collection and administration
  - Driver education
  - Enforcement of motor vehicle and traffic laws

Source: Utah Constitution, Article 13, Section 5

## User Fees, cont.

- Motor fuel tax
- Special fuel tax
- Vehicle registration fees
- Proportional registration
- Highway use tax
- Special transportation permits
- Motor vehicle control fees
- Safety inspection fee
- Temporary permit fees

## FY 2012 User Fee Revenue (millions)



Total Revenue: \$507,325,103

Source: Utah State Tax Commission, TC-23; UDOT, 2012 Annual Statistical Summary

## Motor Fuel Tax

- Motor Fuel = gasoline and gasohol
- Rate: 24.5 cents per gallon (cpg)
- Last rate change was a 5.5 cpg increase in 1997

Fiscal Year	Revenue	Growth	Revenue per 1¢ of rate
2012 (actual)	\$252.9 m	0.2%	\$10.3 m
2013 (projected)	\$250.7 m	-0.9%	\$10.2 m

Source: Utah Tax Commission, TC-23 (2012-13 Revenue Summary); Utah Code, Section 59-13-201

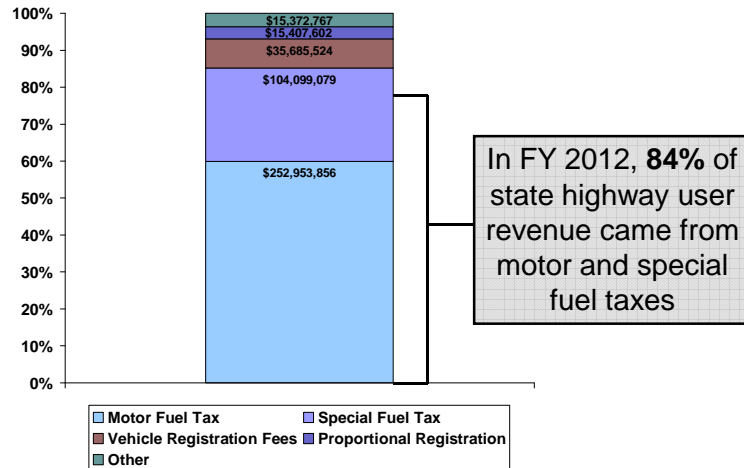
## Special Fuel Tax

- Special Fuel = any fuel used to operate a motor vehicle on public highways that is not taxed as aviation or motor fuel. **It includes diesel fuel.**
- Rate: 24.5 cpg
- Last rate change was a 5.5 cpg increase in 1997

Fiscal Year	Revenue	Growth	Revenue per 1¢ of rate
2012 (actual)	\$104.1 m	0.2%	\$4.2 m
2013 (projected)	\$99.5 m	-0.5%	\$4.1 m

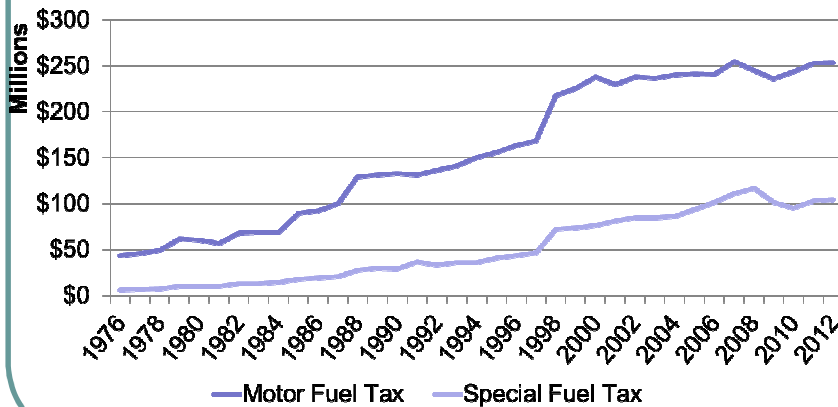
Source: Utah Tax Commission, TC-23; Utah Code, Sections 59-13-201 and 301

## Motor and Special Fuel Tax



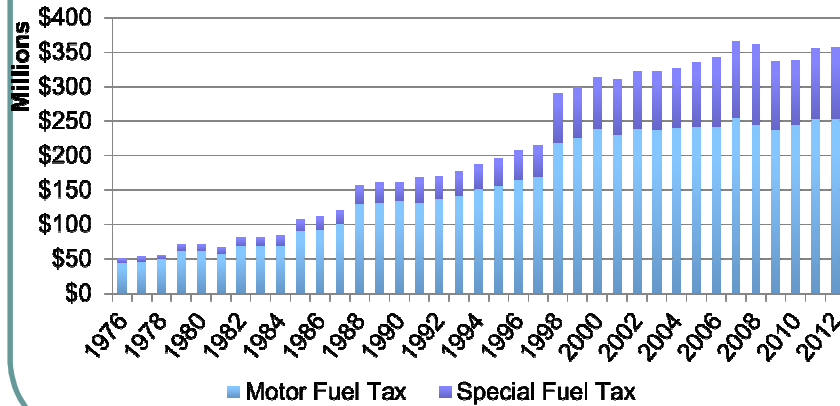
Source: Utah State Tax Commission, TC-23; UDOT, 2012 Annual Statistical Summary

## Fuel Tax Revenues



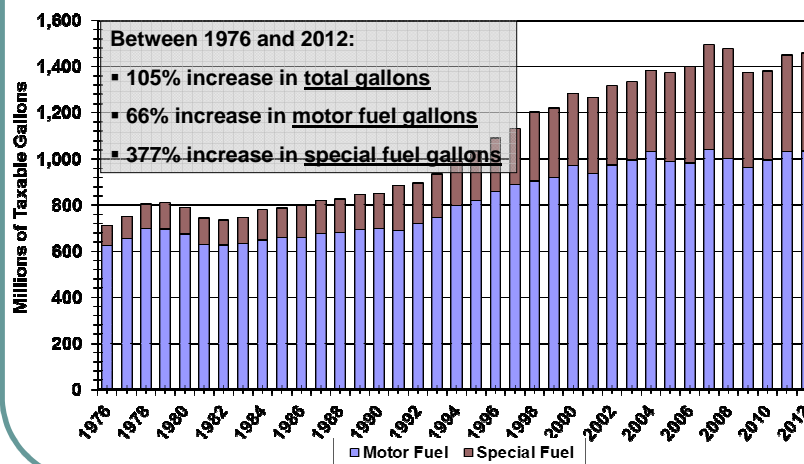
Source: Utah Department of Transportation, "Annual Statistical Summary" (1979-2012); State Tax Commission, "Annual Report"

## Combined Fuel Tax Revenues



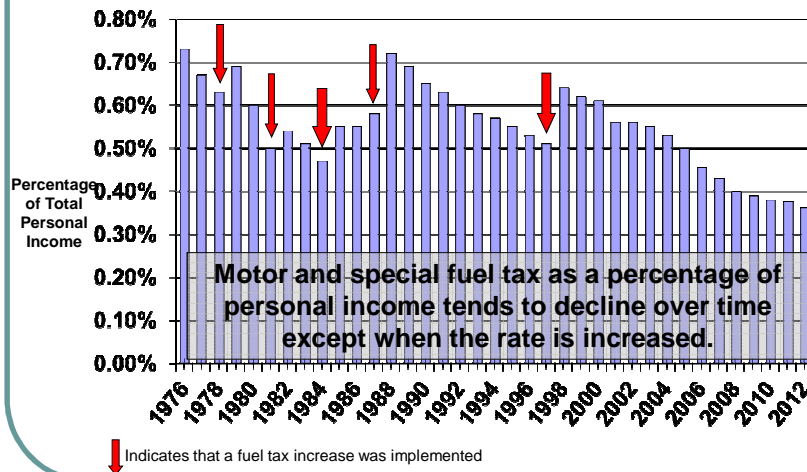
Source: Utah Department of Transportation, "Annual Statistical Summary" (1979-2012); State Tax Commission, "Annual Report"

## Taxable Gallons of Fuel Purchased in Utah



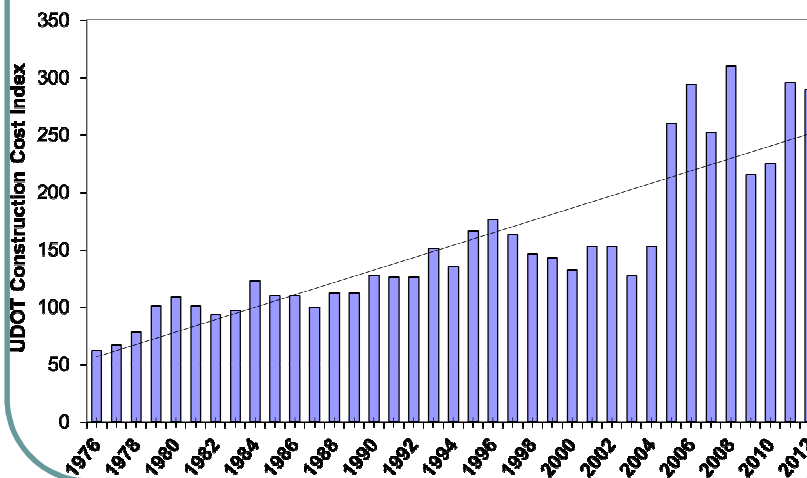
Source: Utah Department of Transportation, "Annual Statistical Summary" (1979-2012); Utah State Tax Commission

## Fuel Taxes as a Percentage of Personal Income



Source: Bureau of Economic Analysis; Utah Department of Transportation Annual Statistical Summaries (1979-2012); State Tax Commission

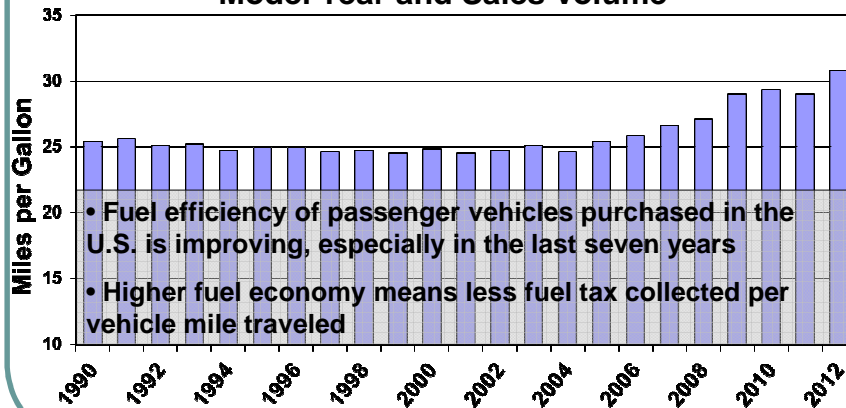
## Purchasing Power of Fuel Taxes



Source: Utah Department of Transportation, Construction Cost Index Report for 4<sup>th</sup> Quarter, 2012; Bureau of Labor Statistics

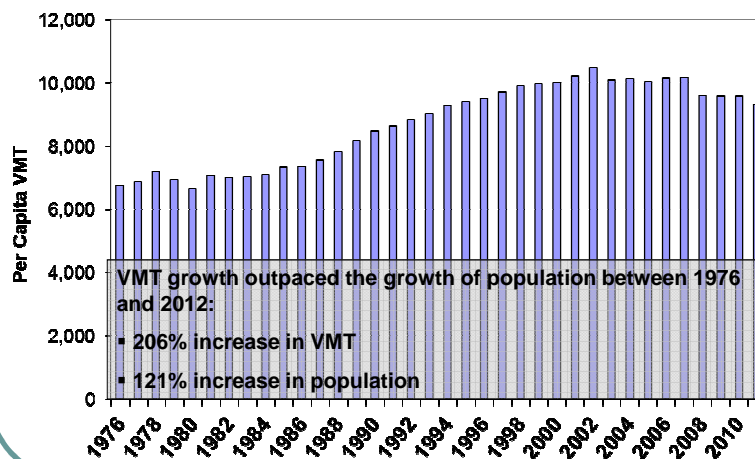
## National Fuel Economy

**Fuel Economy Performance Based on Model Year and Sales Volume**



Source: "Summary of Fuel Economy Performance" April 2013; U.S. Department of Transportation

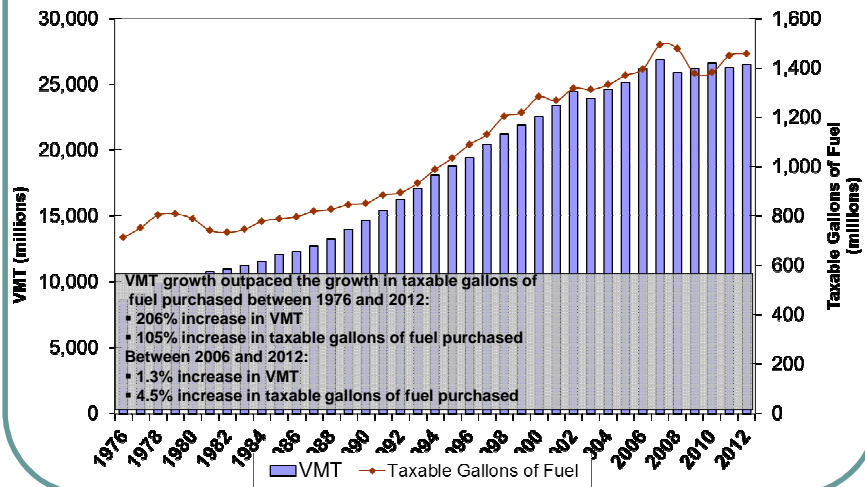
## Per Capita Vehicle Miles Traveled (VMT)



Source: Utah Department of Transportation, "Annual Statistical Summary" (1979-2011); Utah Population Estimates Committee

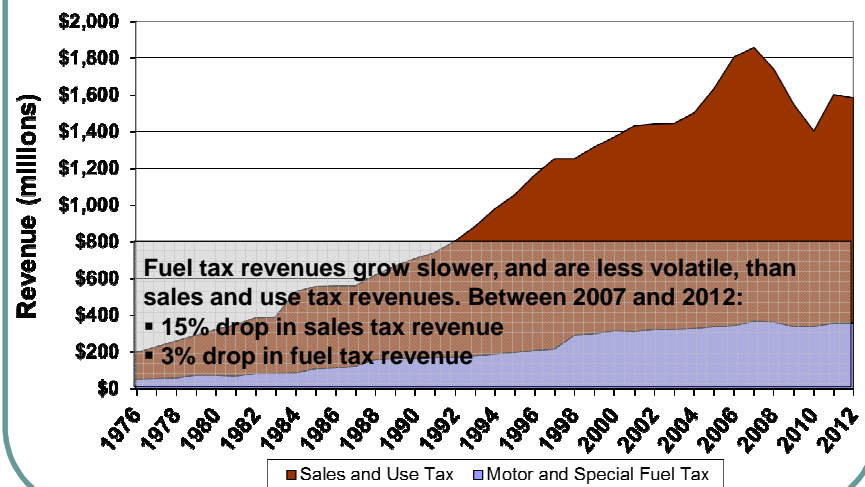


## Vehicle Miles Traveled (VMT)



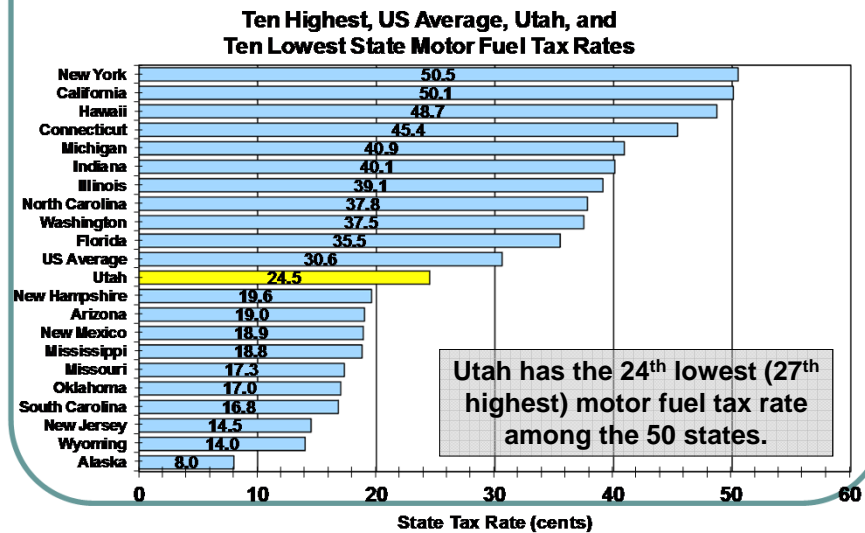
Source: Utah Department of Transportation, "Annual Statistical Summary" (1979-2012); Utah State Tax Commission

## Growth of Fuel Taxes and State Sales and Use Tax



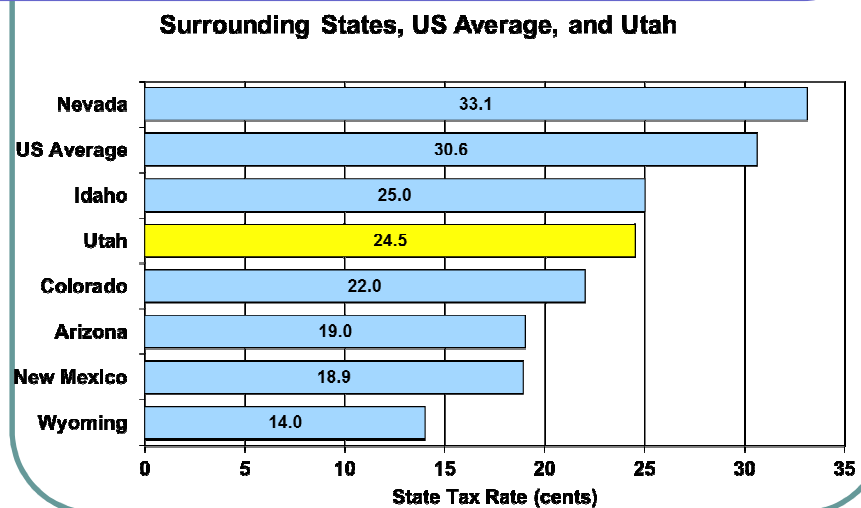
Source: Utah Department of Transportation, "Annual Statistical Summary" (1979-2012); Utah State Tax Commission

## State Motor Fuel Tax Comparison



Source: American Petroleum Institute, as of April 1, 2013 (<http://www.api.org/statistics/fueltaxes/>)

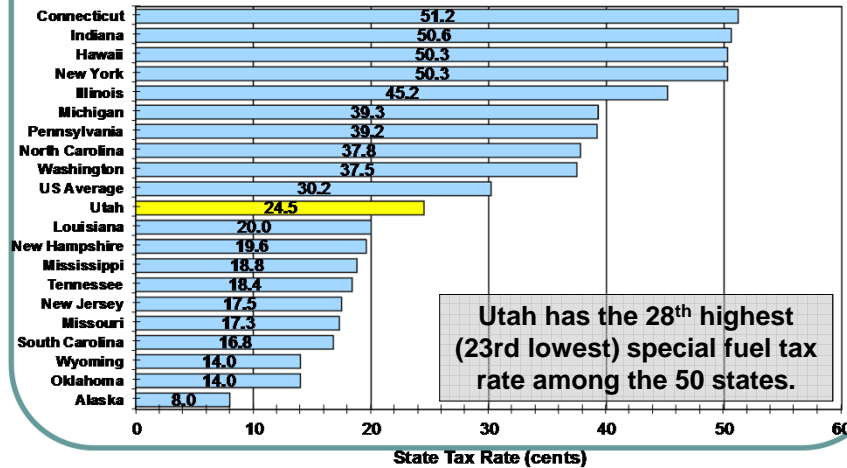
## State Motor Fuel Tax Comparison



Source: American Petroleum Institute, as of April 1, 2013 (<http://www.api.org/statistics/fueltaxes/>)

## State Special Fuel Tax Comparison

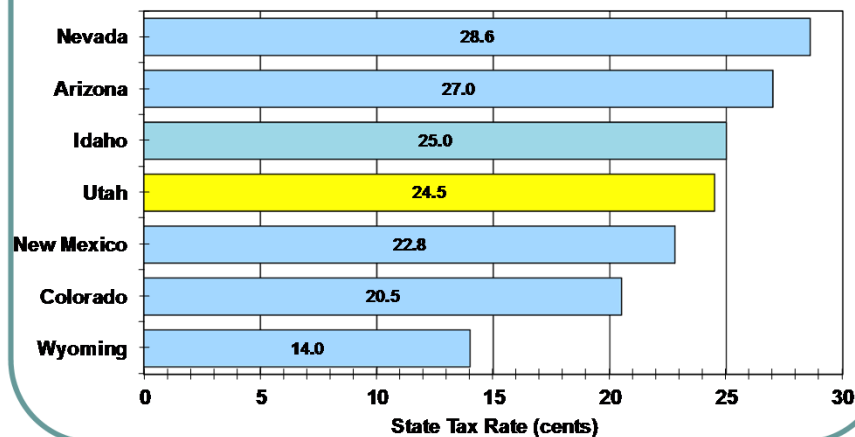
Ten Highest, US Average, Utah, and  
Ten Lowest State Motor Fuel Tax Rates



Source: American Petroleum Institute, as of April 1, 2013 (<http://www.api.org/statistics/fueltaxes/>)

## State Special Fuel Tax Comparison

Surrounding States, US Average, and Utah



Source: American Petroleum Institute, as of April 1, 2013 (<http://www.api.org/statistics/fueltaxes/>)

## Vehicle Registration Fees - - Current Rates

Vehicle Type	Fee
Motor vehicle (12,000 lbs or less)	\$43.00*
Motorcycle	\$44.50*
Trailer/semitrailer over 750 lbs	\$31.00
Commercial trailer/semitrailer 750 lbs or less	\$28.50
Vintage vehicle (initial registration only)	\$40.00
There are various rates and fees for vehicles over 12,000 lbs.	

\* Changes to motor vehicle and motorcycle fees effective January 1, 2013

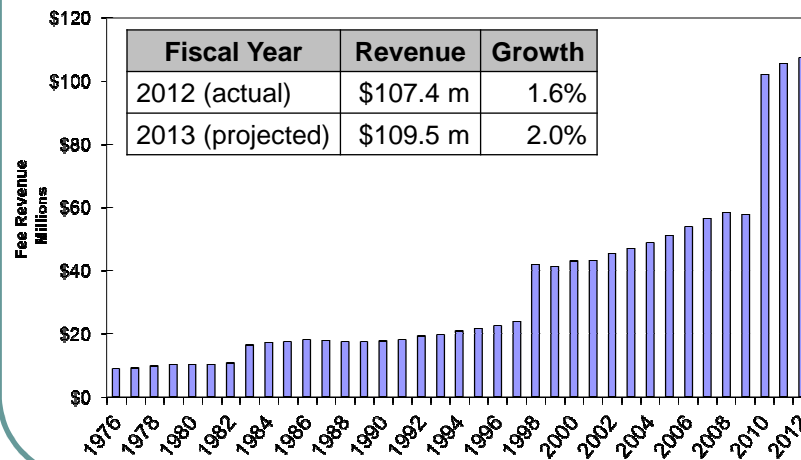
Source: Utah Code, Section 41-1a-1206; 2012 General Session H.B. 298; 2009 General Session SB 239

## Vehicle Registration Fees - - Rates, 1997 - 2013

Vehicle Type	Fee Amount			
	FY 1997	FY 1998 - 2009	FY 2010	FY 2013
Motor vehicle (less than 12,000 lbs)	\$11.00	\$21.00	\$41.00	\$43.00
Motorcycle	\$12.50	\$22.50	\$42.50	\$44.50
Trailer/semitrailer over 750 lbs	\$10.00	\$11.00	\$31.00	\$31.00
Commercial trailer/semitrailer 750 lbs or less	\$7.50	\$8.50	\$28.50	\$28.50
Vintage Vehicle (initial registration only)	\$10.00	\$20.00	\$40.00	\$40.00
Various rates and fees for vehicles over 12,000 lbs.				

Source: Utah Code, Section 41-1a-1206; 2012 General Session H.B. 298; 2009 General Session SB 239

## Vehicle Registration Fees - - Revenues, 1976 - 2012



Source: Utah Department of Transportation Annual Statistical Surveys, years 1979-2007; State Tax Commission, TC-23

## Proportional Registration

- Paid by an owner or operator of a commercial vehicle operating in **at least two jurisdictions**
- Allows an owner to pay a proportional registration fee based on the percent of miles traveled in the jurisdiction
- The formula is as follows:

$$\frac{\text{In-jurisdiction miles}}{\text{Total miles generated during the preceding year}} \times \left( \text{Sum of all registration fees for each vehicle} \right)$$

- Revenues are as follows:

FY 2011	FY 2012
\$14,745,686	\$15,407,602

Source: Utah Code, Section 41-1a-301; State Tax Commission

## Highway Use Tax

- Paid by an owner or operator of a proportionally registered commercial vehicle who:
  - is based out-of-state and
  - has not paid property tax or an in lieu fee
- Similar to a proportional property tax or an in lieu fee
- The formula is as follows:

$$\frac{\text{In-jurisdiction miles}}{\text{Total miles generated during the preceding year}} \times \left( \text{Sum of fees based on weight and vehicle age} \right) (\$10 \text{ to } \$600)$$

- Rates were last changed in 1999
- Revenues are as follows:

FY 2011	FY 2012
\$11,119,984	\$10,107,467

Source: Utah Code, Section 41-1a-301; State Tax Commission

## Special Transportation Permits

- Paid by an owner or operator of a vehicle:
  - with a load weighing more than the maximum weight
  - that exceeds vehicle width, height, or length provisions
- There are various rates from \$30 to \$540
- Rates were last changed in 2009
- Revenues are as follows:

FY 2011	FY 2012
\$9,615,549	\$9,871,557

Source: Utah Code, Section 72-7-406; Utah Department of Transportation, 2012 Annual Statistical Summary

## Motor Vehicle Control Fees

- **Paid by vehicle owners upon ownership**
- **Statutorily Set Fees include:**
  - \$6 title fee or duplicate title fee
  - \$50 application fee for personalized license plates
  - \$10 renewal fee for personalized license plates
  - **For special group license plate:** a \$5 fee + \$5 "regular" license plate fee + donation amount set by the "special group" organization
  - **For personalized special group license plate:** a \$50 fee + \$5 special group license plate fee + \$5 "regular" license plate fee + donation amount set by the "special group" organization

FY 2011	FY 2012
\$4,552,394	\$4,776,880

Source: Utah Code, Sections 41-1a-1210 and 41-1a-1211; State Tax Commission

## Safety Inspection Certificate Fee

- Utah Highway Patrol Division charged \$2 for each state safety inspection certificate
- \$0.75 of the fee was a dedicated credit used by UHP to enforce safety inspection laws
- **Repealed in 2012 General Session H.B. 298**
- H.B. 298 offset revenue loss by raising registration fee on motor vehicles of 12,000 lbs or less by \$2 and on motorcycles by \$2.
- \$0.94 of each motor vehicle and motorcycle registration fee goes to the Utah Highway Patrol Division for field operations.

FY 2011	FY 2012
\$2,212,373	\$2,281,628

Source: Utah Code, Sections 53-8-204 through 206; 41-1a-1201; 41-1a-1206; 53-3-106; 2012 General Session H.B. 298; Utah Department of Transportation Annual Statistical Surveys

## Temporary Permit Fee

- Paid by commercial vehicles meeting the registration requirements of another jurisdiction
- Alternative to full or proportional registration
- Temporary registration permit for up to 96 hours
- Fees are:
  - \$25 for a single unit, and
  - \$50 for multiple units
- Rates were last changed in 2003
- Revenues are as follows:

FY 2011	FY 2012
\$401,805	\$435,410

Source: Utah Code, Section 41-1a-301; Utah Department of Transportation Annual Statistical Surveys

## State Sales and Use Tax Earmarks

- “Earmark” is used with the following definition in mind:  
***statutory requirement** that a specified portion of the sales and use tax be transferred to one or more of the transportation funds*
- Earmarks are found in Section 59-12-103 of the Utah Code



## State Sales and Use Tax Earmarks

- State sales and use tax earmarks are as follows:

Earmark Rate	FY Year Implemented	2012 Revenue
Sales and use tax raised by <b>1/16%</b> state rate	1998	27M
Sales and use tax raised by <b>1/64%</b> state rate	2000	\$7M
<b>8.3%</b> of revenue collected from state sales and use tax	2007	\$159M
<b>\$90 million</b> lump sum	2008	\$90M
Sales and use tax raised by <b>.025%</b> state rate (Crit.Hwy)	2009	\$10M
Sales and use tax raised by <b>.025%</b> state rate (Choke P)	2009	\$10M
Sales Tax Growth Diversion, <b>30%</b>	2012	\$80M*

\*Estimate is based on figures in the 04/16/2013 TC-23

Source: Utah Code, Section 59-12-103; TC-23

## Aviation Fuel Tax

- An aviation fuel tax is imposed on all aviation fuel purchased in the state
  - Rate is **9 cents** per gallon for a person other than a federally certificated air carrier
  - For a federally certificated air carrier the rate is:
    - 2.5 cents**, if purchased at Salt Lake International Airport
    - 4 cents**, if purchased somewhere other than the Salt Lake International Airport

Source: Utah Code, Sections 59-13-401; 2009 General Session SB 141 and HB 261

## Local Option Sales and Use Taxes and Fees

- Public Transit Basic (.25 or .30)\*
- Public Transit Additional (.25)\*
- Municipal Highways or Public Transit (.25 or .30)\*
- County Option Transportation (.25)\*
- County Option for Highways, Fixed Guideways, or Public Transit (.30)\*
- Airport, Highway and Public Transit (from .10 to .25)\*
- Supplemental State Sales and Use Tax (up to .30)\*
- Local Option Highway Construction and Transportation Corridor Preservation Fee (up to \$10)

Source: Utah Code, Title 59 Chapter 12 and Section 41-1a-1222.

\*See Local Option Sales and Use Taxes for Transportation handout for more information on this tax

## Local Option Sales and Use Taxes and Fees, cont.

- Uses of Local option sales and use taxes and fees include:
  - Public transportation systems
  - Public transportation service and operation
  - Local highway projects
  - Regionally significant highway projects
  - State highway projects
  - Airport Facility projects and services
- Some taxes and fees have multiple specified uses
- In some cases, cities and counties can specify how much revenue will be expended for each specified use

## Federal Funding

- Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21)
  - Signed into law in July, 2012, it provides \$105 billion in funding for surface transportation programs for fiscal years 2013 and 2014
- Federal Highway Trust Fund (HTF)
  - Bankrupted - - meaning, its revenue stream, the federal gas tax, no longer provides enough money to keep the fund solvent
  - Since 2008, Congress has appropriated over \$40 billion from the general fund, and from other revenue sources, to keep the fund solvent

## WHERE IT GOES

## Transportation Funds

- Transportation Fund
- B and C Roads Account
- Centennial Highway Fund
- Transportation Investment Fund of 2005
- Critical Highway Needs Fund
- Marda Dillree Corridor Preservation Fund
- Local Transportation Corridor Preservation Fund
- Tollway Special Revenue Fund
- County of the First Class State Highway Projects Fund
- County of the Second Class State Highway Projects Fund
- Highway Projects within Counties Fund
- Transportation Infrastructure Loan Fund
- Aeronautics Restricted Account

## Transportation Fund

- Highway user revenue:
  - Motor Fuel Tax
  - Special Fuel Tax
  - Vehicle Registration Fees
  - Proportional Registration Fees and other misc. fees
- Other revenues:
  - Sales and use tax revenue equal to an amount generated by a 1/16% tax rate
  - Sales and Use Tax revenue equal to an amount generated by a .025% tax rate (effective 01/01/09)
  - Voluntary contributions
  - Interest earned on account monies

Source: Utah Code, Sections 59-13-201, 59-13-301, 41-1a-1201, and 59-12-103; UDOT, "2012 Annual Statistical Summary"

## Transportation Fund

- **Transportation Fund revenues used:**
  - Exclusively for highway purposes
  - As prioritized by the Transportation Commission
  - Primarily funds maintenance projects on state highways
  - .025% sales and use tax dedication is intended to address chokepoints in construction management

## Transportation Fund

- **Highway user revenue** is distributed as follows:
  - 70% to UDOT
  - 30% to cities and counties (B&C Road Fund)
    - 75/25 distribution before July 1, 2007
    - Funds are used under the direction of UDOT “as the Legislature shall provide”
    - Funds are distributed to cities and counties by formula based on length of road and pavement type
  - Revenue is divided after agency transfers that are used for collection/administration and law enforcement (\$11.6 million statutory cap on transfers)

Source: Utah Code, Sections 72-2-107 and 72-2-103; Utah Department of Transportation 2012 Annual Statistical Survey

## Centennial Highway Fund

- Created in 1996
- Account monies are used to pay the costs of construction, major reconstruction, or major renovation to state and federal highways
- Projects are prioritized by the Transportation Commission
- List of projects is near completion
- Any remaining bonds for Centennial Highway Fund projects are paid from Transportation Investment Fund of 2005

Source: Utah Code, Section 72-2-118 and 72-2-124

## Centennial Highway Fund

- Revenues:
  - Voluntary contributions
  - Appropriations made by the Legislature
  - Interest earned on account monies
  - All other revenue streams transferred to the Transportation Investment Fund of 2005 (effective 7/1/12)

Source: Utah Code, Sections 72-2-118, 72-2-124, 41-1a-1201, 59-12-103, and 59-13-304 and S.B. 225, Transportation Revisions, 2012 General Session

## Transportation Investment Fund of 2005

- Created in 2005
- Account monies used for:
  - Maintenance, construction, reconstruction, or renovation to state and federal highways prioritized for new transportation capacity
  - Principal, interest, and issuance costs of the \$2.077 billion bond
  - Payment into the 2010 Salt Lake County Revenue Bond Sinking Fund the amount necessary to pay the debt service on \$30 million of the revenue bonds issued by Salt Lake County
  - Principal, interest, and issuance costs of the \$1.145 billion bond originally intended to be paid from the Critical Highway Access Needs Fund
  - Principal, interest, and issuance costs of the bonds intended to be paid from Centennial Highway Fund
- Projects are prioritized by the Transportation Commission using a written prioritization process for transportation capacity projects

Source: Utah Code, Section 72-2-124

## Transportation Investment Fund of 2005

- Written prioritization process
  - Applies to new capacity projects with a cost over \$5,000,000
  - Projects are assigned a rank based on factors
    - Safety Factors
    - Transportation Efficiency Factors
    - Other factors such as economic development

Source: Utah Code, Sections 72-1-304; Utah Administrative Rule, R907-68

## Transportation Investment Fund of 2005

### ● Revenues:

- Voluntary contributions
- Appropriations made by the Legislature
- Interest earned on account monies
- Designated portion of vehicle registration fees
- Sales and use tax dedications
  - Sales and use tax revenue equal to an amount generated by a 1/64% tax rate
  - 8.3% of revenues collected from various state sales and use tax rates plus 30% of the growth in the amount of revenues collected in the current fiscal year that exceeds the amount collected from the sales and use taxes in the 2010-11 fiscal year (amount capped at 17% of the total sales and use tax)
  - \$90,000,000 of the sales and use tax revenue
  - Sales and use tax revenue equal to an amount generated by a .025% tax rate
- 5 cents per gallon of the motor fuel tax
- Unspent monies from the Centennial Highway Fund (CHF) and Critical Highway Needs Fund (CHNF)

Source: Utah Code, Sections 41-1a-1201, 59-12-103, and 72-2-124

## Transportation Investment Fund of 2005

- **\$2.077 billion Highway General Obligation**
  - Bond authorized in 2009 General Session
  - Bond authorized at \$2.207 billion and reduced by \$130 million to \$2.077 billion in 2012
- **Revenues from TIF used to pay debt service and issuance costs**

Source: Utah Code, Section 63B-18-401, S.B. 239, Transportation Revisions, 2009 General Session, H.B. 173, Transportation Funding Modifications, 2012 General Session



## Transportation Investment Fund of 2005

- In 2009, bond proceeds were directed for:
  - Interstate 15 reconstruction in Utah County
  - Mountain View Corridor
  - Southern Parkway
  - Other projects prioritized by the Transportation Commission through the written prioritization process or the state highway construction program
- In 2012, bond proceeds were directed for:
  - \$70 million of bond proceeds (plus \$50 million of funds) were directed for the construction of various state highway projects
  - \$30 million of bond proceeds were directed for specified local highway construction and transit projects in Salt Lake County
- In 2013, bond proceeds were directed for:
  - \$150 million for highway construction projects, transportation infrastructure improvements, or a corridor study
  - \$36.75 million for specified local highway construction projects or transit studies in Salt Lake County
  - \$20 million to the Transportation Infrastructure Loan Fund

Source: Utah Code, Section 63B-18-401; S.B. 239, Transportation Revisions, 2009 General Session; H.B. 173, Transportation Funding Modifications, 2012 General Session; H.B. 377, Transportation Funding Modifications, 2013 General Session

## Critical Highway Needs Fund

- Created in 2007
- Account monies used for right-of way acquisition, maintenance, construction, reconstruction, or renovation to state and federal highways identified by UDOT
- Projects are prioritized by the Transportation Commission
  - Eligible projects include:
    - A project that is a high priority due to high growth in the surrounding area
    - A project that addresses critical access needs that have a high impact due to commercial and energy development
    - A project that mitigates congestion
    - A project where local matching funds are available
    - A project that is a critical alternative route for priority Interstate 15 reconstruction projects

Source: Utah Code, Section 72-2-125

## Critical Highway Needs Fund

- **Revenues:**

- Voluntary contributions
- Appropriations made by the Legislature
- Interest earned on account monies
- All other revenue streams transferred to the Transportation Investment Fund of 2005 (effective 7/1/12)

- **Bonds for highway projects may not exceed \$1.145 billion**

- Bond authorized at \$1.2 billion and reduced by \$55 million to \$1.145 billion in 2013

Source: Utah Code Sections 59-12-103, 63B-16-101, and 72-2-125; H.B. 377, Transportation Funding Modifications, 2013 General Session; S.B. 225, Transportation Revisions, 2012 General Session

## Marda Dillree Corridor Preservation Fund

- Created in 1996 as a revolving loan fund
- Transportation Commission authorizes the expenditure of monies to acquire real property for state, county, and municipal highway corridors
- Fund moneys must be used for projects that:
  - Preserve transportation corridors
  - Promote long-term statewide transportation planning;
  - Save on acquisition costs
  - Promote the best interest of the state in a manner which minimizes impact on prime agricultural land

Source: Utah Code, Section 72-2-117

## Marda Dillree Corridor Preservation Fund

- Revenues:
  - Voluntary contributions
  - Appropriations made by the Legislature
  - Interest earned on account monies
  - **2.5% tax rate on all short-term leases and rentals of motor vehicles not exceeding 30 days**
  - Repayments to the fund
  - Rents and sales of real property acquired with fund monies
  - General obligation bond proceeds

Source: Utah Code, Sections 72-2-117 and 59-12-1201

## Local Transportation Corridor Preservation Fund

- Created in 2005
- UDOT authorizes the expenditure of monies to acquire real property for state, county, and municipal highway corridors within the county where the fee is imposed
- Purposes:
  - Preserve transportation corridors
  - Promote long-term statewide transportation planning
  - Save on acquisition costs
  - Promote the best interest of the state in a manner which minimizes impact on prime agricultural land

Source: Utah Code, Section 72-2-117.5

## Local Transportation Corridor Preservation Fund

### ● Revenues:

- Voluntary contributions
- Appropriations made by the Legislature
- Interest earned on account monies
- Repayments to the fund
- Rents and sales of real property acquired with fund monies
- General obligation bond proceeds
- Up to \$10 fee on motor vehicle registration within county
  - Salt Lake County keeps 30% of fee
- Designated portion of County Option Sales and Use Tax for Transportation (up to .25% tax rate)\*
- Portion of the Airport, Highway and Public Transit Sales and Use Tax (.05% tax rate, effective 01/01/09)\*

Source: Utah Code, Sections 72-2-117.5, 41-1a-1222, 59-12-2217, and 59-12-2218

\*See Local Option Sales and Use Taxes for Transportation handout for more information on this tax

## Tollway Special Revenue Fund

- Created in 2006
- Used by UDOT, as authorized by the Transportation Commission, to establish and operate tollways and related facilities
- Revenues:
  - Voluntary contributions
  - Appropriations made by the Legislature
  - Interest earned on account monies
  - Tolls collected from the High Occupancy Toll Lane
  - Funds received through a tollway development agreement

Source: Utah Code, Sections 72-2-120 and 72-6-118

## County of the First Class State Highway Projects Fund

- Created in 2001 (originally called Public Transportation System Tax Highway Fund)
- Used by UDOT for:
  - Right-of-way acquisition, new construction, major renovations, and improvements to state highways within a county of the first class
  - Debt service and issuance costs for bonds
- Revenues:
  - Voluntary contributions
  - Interest earned on account monies
  - 50% of \$10 local option fee on motor vehicle registration within Salt Lake County (until 7/1/13)
  - 20% of Public Transit Additional (.25% tax rate)\*
  - Designated portion of County Option Sales and Use Tax for Transportation (.25% tax rate)\*
  - For fiscal year 2013-14 only, a one-time transfer of \$13,250,000 from the Transportation Investment Fund of 2005

Source: Utah Code, Sections 72-2-121, 72-2-124, 41-1a-1222, 59-12-2214, and 59-12-2217  
\*See Local Option Sales and Use Taxes for Transportation handout for more information on this tax

## County of the First Class State Highway Projects Fund

- In 2007, \$100 million Highway General Obligation Bond authorized
  - Revenues from the fund used to pay debt service and issuance costs
  - Bond proceeds will be used to pay for:
    - Mountain View Corridor within Salt Lake County
    - 2008 - \$30 million of \$100 million bond proceeds authorized in 2007 reallocated to specified state and local highway projects within Salt Lake County
- In 2009, \$39,895,000 Highway General Obligation Bond authorized
  - Revenues from fund used to pay debt service and issuance costs
  - Bond proceeds shall be used to pay for various state and local highway projects within Salt Lake County

Source: Utah Code, Sections 63B-16-102 and 63B-18-402

## County of the First Class State Highway Projects Fund

- In 2010, Salt Lake County issued a revenue bond for \$77 million
  - Interlocal agreement provisions were directed in statute
  - \$68,500,000 of bond proceeds were transferred to UDOT for state highway projects in Salt Lake County
  - \$8,500,000 of bond proceeds were transferred to various municipalities in Salt Lake County for specified highway construction projects
  - Effective 7/1/13, the Transportation Investment Fund was substituted as the revenue source for the debt service on \$30 million of the bonds issued
- In 2012, \$30 million of the \$2.077 billion highway general obligation bond were allocated for specified projects in Salt Lake County
- In 2013, \$36.75 million of the \$2.077 billion highway general obligation bonds were allocated for projects in Salt Lake County
  - Effective 7/1/13, the County of the First Class State Highways Fund was designated as the revenue source for the debt service on \$30 million of the bonds issued (Transportation Investment Fund of 2005 to pay remainder)

Source: Utah Code, Section 72-2-121, 72-2-121.3, 72-2-121.4 and 63B-16-401; H.B. 173, Transportation Funding Modifications, 2012 General Session; H.B. 377, Transportation Funding Modifications, 2013 General Session

## County of the Second Class State Highway Projects Fund

- Created in 2008
- Used by UDOT for right-of-way acquisition, new construction, major renovations, and improvements to state highways within a county of the second class
- Revenues:
  - Voluntary contributions
  - Interest earned on account monies
  - Designated portion of the Airport, Highway and Public Transit Sales and Use Tax (up to .20% tax rate, effective 01/01/09)\*

Source: Utah Code, Sections 72-2-121.2 and 59-12-2218

\*See Local Option Sales and Use Taxes for Transportation handout for more information on this tax

## Highway Projects Within Counties Fund

- Created in 2003
- Used by:
  - UDOT for state highway projects within the county
  - County for local highway of regional significance projects
- Revenues:
  - Interest earned on account monies
  - Designated portion of County Option for Highways, Fixed Guideways, or Public Transit (.30% tax rate)\*

Source: Utah Code, Sections 72-2-121.1 and 59-12-2216

\*See Local Option Sales and Use Taxes for Transportation handout for more information on this tax

## Transportation Infrastructure Loan Fund

- Created as a revolving loan fund
- Used by the department, as prioritized by the Transportation Commission, only to:
  - provide infrastructure loans or infrastructure assistance; and
  - pay the department for the costs of administering the fund, providing infrastructure loans or infrastructure assistance, monitoring transportation projects, and obtaining repayments of infrastructure loans or infrastructure assistance
- Revenues:
  - Appropriations to the fund by the Legislature
  - Federal money and grants deposited in the fund
  - Money transferred to the fund by the commission from other available money
  - State grants deposited in the fund
  - Contributions from public or private sources
  - Money collected from repayments

Source: Utah Code, Section 72-2-202

## Aeronautics Restricted Account

- Administered by UDOT for:
  - Construction, improvement, operation and maintenance of publicly used airports
  - Operation of the Division of Aeronautics
  - Indebtedness incurred for purposes
  - Promotion of aeronautics in the state
  - Expenses and costs of UDOT in duty of regulating and supervising aeronautics in the state
  - The support of aerial search and rescue operations
- Funds may not be used to subsidize direct operating costs of travel for purposes other than those described above

Source: Utah Code, Section 59-13-402

## Aviation Fuel Tax Distribution

Type of Air Carrier and Location of Purchase	Tax Allocation per Gallon to Airport	Tax Allocation per Gallon to Aeronautics Restricted Account	Total Tax Collected per Gallon
Federally Certificated Air Carrier at Salt Lake Int'l Airport	\$ .015	\$ .01	\$ .025
Federally Certificated Air Carrier other than at Salt Lake Int'l Airport	\$ .03	\$ .01	\$ .04
Non-federally Certificated Air Carrier at Salt Lake Int'l Airport	\$ .00	\$ .09	\$ .09
Non-federally Certificated Air Carrier other than at Salt Lake Int'l Airport	\$ .03	\$ .06	\$ .09

Source: Utah Code, Section 59-13-402



# Questions?

Contact Shannon Halverson at OLRGC  
(801) 538-1032